

KEYHEALTH MEDICAL SCHEME

2023

SCHEME RULES

2023/03/24

REGISTRAR OF MEDICAL SCHEMES

**KEYHEALTH MEDICAL SCHEME
REGISTERED UNDER THE MEDICAL SCHEMES ACT, 1998
(ACT NO. 131 OF 1998)**

(SCHEME REGISTRATION NO. 1087)

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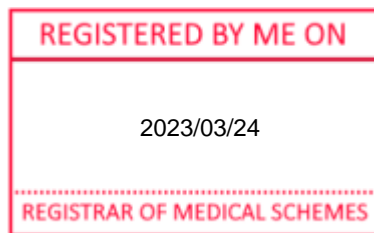
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SCHEME RULES OF KEYHEALTH

1. NAME

The name of the Scheme is KeyHealth Medical Scheme (Registration # 1087), hereinafter referred to as the 'Scheme'.

2. LEGAL PERSONA

2.1 The Scheme, in its own name, is a body corporate, capable of suing and of being sued and of doing or causing to be done all such things as may be necessary for or incidental to the exercise of its powers or the performance of its functions in accordance with the Act and Regulations to the Act and these Rules, and in its own name acquiring, holding and alienating and otherwise dealing in and with property of all descriptions, movable, immovable, corporeal and incorporeal.

2.2 No person shall have any claim on the assets or rights or be responsible for any liabilities or obligations of the Scheme, except in so far as the claim has arisen or the responsibility has been incurred in connection with transactions relating to the business of the Scheme.

3. REGISTERED OFFICE

The registered office of the Scheme is situated at 86 Koranna Avenue, Doringkloof, Centurion, but the Board of Trustees may transfer such office to any other location in the Republic of South Africa should circumstances so dictate.

4. DEFINITIONS

In these Rules, a word or expression defined in the Medical Schemes Act, 1998 (Act No 131 of 1998), bears the meaning thus assigned to it, and, unless inconsistent with the context:

- a word purporting the masculine gender shall include the feminine;

- a word signifying the singular shall include the plural and vice versa; and
- the expressions hereunder shall have the following meanings:

4.1 'Act'

The Medical Schemes Act, 1998 (Act No 131 of 1998), and the Regulations framed there under.

4.2 'Account'

An account lodged in terms of Rule 16 for expenditure incurred by a Principal Member in respect of those benefits to which he and his registered Dependants are entitled.

4.3 'Administrator'

The Administrator appointed by the Board of Trustees in terms of these Rules and who has been accredited by the Council for Medical Schemes (CMS) in terms of Section 58 of the Act.

4.4 'Admission Date'

- 4.4.1 In respect of an employer, the date on which the contract between the Scheme and the employer becomes operative;
- 4.4.2 In respect of a Principal Member, the date on which he becomes a Principal Member; and
- 4.4.3 In respect of a Dependant, the date on which such Dependant is registered as a Dependant in terms of the Rules.

4.5 'Agreed Tariff'

A tariff as agreed upon between the Scheme and service providers.

4.6 'Annexure'

The Annexure to these Rules, forming part thereof.

4.7 'Annual General Meeting' ('AGM')

The Annual General Meeting of Principal Members as contemplated in Rule 27.1.

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4.8 'Annual Limit'

The maximum Benefits to which a Principal Member and his Dependants are entitled in terms of these Rules and which shall be calculated annually to coincide with the financial year of the Scheme.

4.9 'Approval'

The prior written Approval of the Board of Trustees or its authorised representative. Services must commence within 30 (thirty) days of approval and will be subject to the benefits of the year in which the services are rendered.

4.10 'Auditor'

An individual or firm that is a registered auditor as defined in Section 1 of the Auditing Professional Act, 2005, authorised by the Registrar and appointed in terms of Rule 26.

4.11 'Beneficiary'

A Principal Member or a person admitted and registered as a Dependant of a Principal Member.

4.12 'Benefits'

The benefits afforded by the Scheme to its Principal Members and their Dependants in terms of Rule 17 and includes the Prescribed Minimum Benefits.

4.13 'Benefit year'

The period from the 1st day of January to the 31st day of December of that year, both days included.

4.14 'Board'

The Board of Trustees, referred to in Rule 19, constituted to manage the Scheme in accordance with the Act and Regulations to the Act and these Rules.

4.15 **'Broker'**

A person as contemplated in section 65 of the Act, to the extent that the person, as part of regular business, provides a service or advice in respect of the introduction of prospective Beneficiaries to the Scheme and has a written agreement with the Scheme to that effect.

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4.16 **'Case Management'**

A process whereby clinically indicated, appropriate and cost-effective health care, as an alternative to hospitalisation, or otherwise, is offered to an individual Beneficiary with specific health care needs either by the Scheme prescribing it, or by approving an application by a Principal Member or Dependant.

4.17 **'Capitation Fees'**

Fees paid for clinical services provided by Preferred Providers on a per Member per month basis up to limits specified in contracts with the Preferred Provider(s) concerned.

4.18 **'Case'**

The treatment of a sickness condition required on admission of a Beneficiary to a hospital or day clinic and for any ongoing treatment stipulated under hospital risk management.

4.19 **'CDL'**

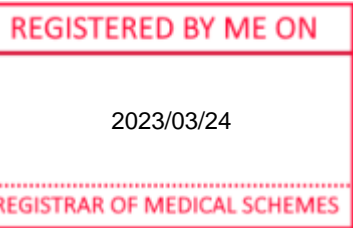
The list of chronic illness conditions that are covered in terms of relevant legislation.

4.20 **"Centre of Excellence"**

Is a team, a shared facility or an entity that provides leadership, best practices, research, support and/or training for a focus area. That provides a patient-centred focus that includes the coordination of care across multiple disciplines based on high and severe risk patient management needs, including pathology management.

4.21 **'Chronic Medication Programme'**

The programme adopted by the Scheme for the management of claims in respect of medicines used by a Beneficiary on an ongoing basis or for an incurable or life-threatening disease, by applying the principles of clinical appropriateness and cost-effectiveness.



4.22 **'Claim'**

The submission of a request for an amount to which a Principal Member is entitled for expenditures incurred by him or his registered Dependant(s) in connection with a service or requisite, in accordance with the provisions of Rule 17 and Annexure B of the option the Principal Member belongs to: provided that this claim is submitted in accordance with the provisions of Rule 16.

4.23 **'Clinical Committee'**

A committee comprising of representatives of the Scheme as well as the Administrator to review clinical matters.

4.24 **'Complaint'**

A complaint against any person required to be registered or accredited in terms of the Act, or any person whose professional activities are regulated by the Act, alleging that such person has:

4.24.1 acted, or failed to act, in contravention of the Act; or

4.24.2 acted improperly in relation to any matter which falls within the jurisdiction of the Council for Medical Schemes.

4.25 **'Condition-specific Waiting Period'**

A period during which a Beneficiary is not entitled to claim benefits in respect of a condition for which medical advice, diagnosis, care or treatment was recommended or received within the twelve (12) month period ending on the date on which an application for membership was made.

4.26 'Connected GP network'

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Is a facility that is digitally connected to receive home monitoring data, pathology results and a comprehensive view of the member's health record. They are also equipped with an electronic pathology request form to enable DSP pathology requirements. They have a platform which allows for a patient, scheme and administrator view of all the metrics that drive health outcomes.

4.27 'Continuation Member'

A Principal Member who retains his membership of the Scheme in terms of Rule 7.2.1 or a Dependant who becomes a Principal Member of the Scheme in terms of Rule 7.3.1.

4.28 'Contribution'

Amount payable, exclusive of interest, by a Principal member on a monthly basis as membership fee for himself and his Dependents to the medical scheme in return for medical coverage with a payment structure in Annexure A of these rules.

4.29 'Cost'

In relation to a benefit, the total invoiced amount payable in respect of a relevant health service charged.

4.30 'Council'

The Council for Medical Schemes established in terms of section 3 of the Act.

4.31 'Creditable Coverage'

Any period in which a late joiner was:

4.31.1 a Principal Member or a Dependant of a medical scheme;

4.31.2 a Principal Member or Dependant of an entity doing the business of a medical scheme, which at the time of his or her membership of such entity, was exempt from the provisions of the Act;

- 4.31.3 a uniformed employee of the South African Defence Force, or a Dependant of such employee, who received medical benefits from the South African Defence Force; or
- 4.31.4 a Principal Member or Dependant of the Permanent Force Continuation Fund but excluding any period of coverage as a Dependant under the age of 21 years.

4.32 **'Date of Service'**

- 4.32.1 In the event of a consultation, visit or treatment, the date on which every consultation, visit or treatment occurred, whether for the same illness or not;
- 4.32.2 in the event of an operation, procedure and confinement, the date on which such operation, procedure or confinement occurred;
- 4.32.3 in the event of hospitalisation, the date of each discharge from a hospital or nursing home, or the date of termination of membership, whichever event occurs first; and
- 4.32.4 in the event of any other service, the date on which the service was rendered, or the requirements were obtained.

4.33 **'Day'**

A period of twenty-four (24) hours, calculated from 0:00 to 24:00.

4.34 **'Dependant'**

A person, if and for so long as he resides in the Republic of South Africa and is registered with the Scheme and not a Principal Member or registered Dependant of another medical scheme:

- 4.34.1 Dependant – Child (biological, adopted, step, foster or grandchild):

4.34.1.1 The child of a Principal Member and/or Spouse/Partner who, irrespective of age, suffers from a mental and/or physical disability leaving him/her unable to function in the private market;

4.34.1.2 The child of a Principal Member and/or Spouse/Partner under the age of twenty-one (21) years;

4.34.1.3 The child of a Principal Member and/or Spouse/Partner under the age of twenty-seven (27) who is a registered student at a recognised national educational institution.

4.34.1.4 The child of a Principal Member and/or Spouse/Partner, 21 years and older but not yet 27 years of age, is regarded as a child dependant.

4.34.2 Dependant – Adult:

A person other than the spouse or life partner of the member who is wholly or partially dependent on the member for financial support and is registered in terms of these rules as an Adult Dependent and includes:

- a child or grandchild aged 21 or above except for rule 4.34.1.3;
- an immediate family member who is over the age of 21 in respect of whom the member is liable for family care or support;
- the second or additional spouse of a member under a customary union in terms of Customary Law or under a union recognized as a marriage in terms of any religion

4.35 '**Designated Service Provider (DSP)**'

A health care provider or group of providers selected and formally contracted by the Scheme as the Preferred Provider or Providers to provide to its Beneficiaries diagnosis, treatment, and care in respect of one or more Prescribed Minimum Benefit conditions.

4.36 *Disease Risk Management program (DRM Program)*

The DRM Program is an innovative personalised service to enable the member in managing the chronic conditions more effectively.

4.37 *'DSP Price'*

The price negotiated by the Scheme with a DSP for the provision of healthcare services to Beneficiaries.

4.38 *'Domicilium citandi et executandi'*

The Principal Member's chosen physical address at which notices in terms of Rules 12 and 14 as well as legal processes, or any action arising there from, may be validly delivered and served.

4.39 *'Emergency Medical Condition'*

The sudden and, at the time, unexpected onset of a health condition that requires immediate medical or surgical treatment, where failure to provide medical or surgical treatment would result in serious impairment to bodily functions or serious dysfunction of a bodily organ or part or would place a person's life in serious jeopardy.

4.40 *'Employee'*

A person employed by an employer.

4.41 *'Employer'*

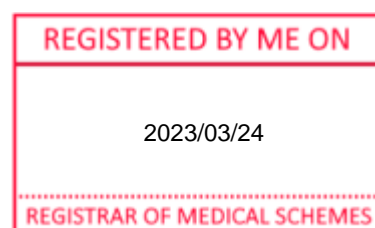
A participating employer whose employees have been contracted as Principal Members of the Scheme.

4.42 *'Evidence based practice'*

The conscientious, explicit and judicious use of current best evidence in making decisions about the care of the individual patient.

4.43 *'Financial Year'*

The period contemplated in Rule 24.



4.44 'Fixed fee'

A flat fee, also referred to as a flat rate or a linear rate, refers to a pricing structure that charges a single fixed fee for a service.

4.45 'General Waiting Period'

A period in which a Beneficiary is not entitled to claim any benefits.

4.46 'Health Booster'

Additional benefit for preventative care offered to Beneficiaries of the Scheme at no extra cost.

4.47 'Late Joiner'

An applicant or the Adult Dependant of an applicant who, at the date of application for membership or admission as a Dependant, as the case may be, is 35 years of age or older, but excludes any applicant who enjoyed coverage with one or more medical schemes as from date preceding 1 April 2001, without a break in coverage exceeding three consecutive months since 1 April 2001. The penalty is for the duration of membership.

4.48 Medical Appliances

Medical appliances can be described as medical equipment/devices used for the treatment and cure of medical conditions

4.49 'Medical Scheme'

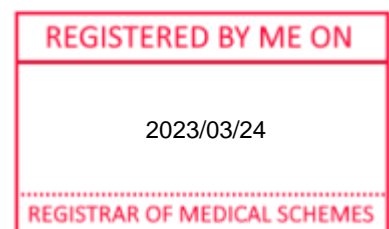
A medical scheme registered in terms of the Act.

4.50 'Medical Scheme Tariff'

(Also referred to as KeyHealth Tariff.) – A rate that differs from the industry rates, that is specifically set / negotiated by the Scheme with the relevant service providers, which shall have the same meaning as 'negotiated cost'.

4.51 'Member'

A person, of any age, who is admitted as a Principal Member of the Scheme in terms of these Rules.



4.52 'Month'

The period extending from the first (1st) up to and including the last day of any one of the twelve (12) calendar months of the year.

4.53 'Negotiated Cost'

A special price negotiated between the Scheme and a particular Preferred Provider of service(s).

4.54 'Officer'

Any member of the Board of Trustees, any manager, Chief Executive Officer (Principal Officer), treasurer, clerk or other employee of the Medical Scheme, but does not include the Auditor of the Medical Scheme.

4.55 'Option'

An option with its own benefits, contributions, limitations and exclusions as set out in the Annexe to these Rules.

4.56 'Partner'

A person with whom the Member has a committed and serious relationship akin to a marriage based on objective criteria of mutual dependency and a shared and common household, irrespective of the gender of either party.

4.57 "Payment in full"

In relation to a Prescribed Minimum Benefit (PMB), means payment according to the service provider's invoice (i.e. cost) for relevant healthcare services rendered, subject to the use of protocols, designated service providers (DSPs), formularies, pre-authorisation or such other managed care initiatives in place and provided for in these rules.

4.58 'Period of Submission'

The monthly submission of claims for services rendered during that month or previous months, irrespective of whether the treatment has been completed, but the Scheme shall not be compelled to accept a claim submitted for the first time later than the last day of the fourth (4th) month following the month in which the service was rendered, unless the Scheme

has granted written extension of time for the late submission.

4.59 'Personal Medical Savings Account (PMSA)'

A savings account provided to a member within a benefit option, which the Scheme allocates an amount not exceeding 25% of total contributions to a member at the beginning of the year where after the member repays the amount back to the Scheme through a portion of his monthly contributions.

4.60 "Physical Trauma"

A severe bodily injury due to violence or an accident i.e. gunshot, knife wound, fracture or motor vehicle accident; suffering serious and life-threatening physical injury, potentially resulting in secondary complications such as shock, respiratory failure and death. This includes penetrating, perforating and blunt force trauma.

4.61 'Pre-authorisation Number'

A pre-authorisation reference number allocated by the Scheme's Managed Health Care Agent, which is required before certain services qualify for benefits.

4.62 'Pre-existing Medical Condition'

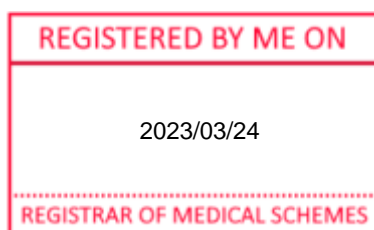
A condition for which medical advice, diagnosis, care, or treatment was recommended or received within the twelve (12) month period ending on the date on which an application for Scheme membership was made.

4.63 'Preferred Provider'

A service provider with whom preferential rates were negotiated by or on behalf of the Scheme, or who is part of a preferred network contracted for or on behalf of the Scheme.

4.64 'Prescribed Minimum Benefits (PMBs)'

The benefits contemplated in Section 29 (1) (o) and Regulation 7 of the Act, and consist of the provision of the diagnosis, treatment and care costsof:



4.64.1 the Diagnosis and Treatment Pairs listed in Annexure A of the Regulations, subject to any limitations specified in this Annexure A; and

4.64.2 any emergency medical condition.

4.65 ***'Prescribed Minimum Benefit (PMB) Condition'***

A condition contemplated in the Diagnosis and Treatment Pairs listed in Annexure A of the Regulations or any emergency medical condition.

4.66 ***'Chief Executive Officer (Principal Officer)'***

The Chief Executive Officer of the Scheme appointed in terms of Rule 20.5.

4.67 ***'Prosthetics (Internal and external)'***

Prosthesis (an artificial body part) is the artificial replacement of internal or external part/s of the body, such as a hip or knee joint, a leg, an arm, artificial eye, heart valve etc. (including fixation devices and implanted pumps).

4.68 ***'Public Sector Facility'***

Any State healthcare facility and/or Hospitals.

4.69 ***'Reference Price'***

The maximum price payable by the Scheme for medication and prosthetics/prosthesis in accordance with evidence-based practice/s and cost effectiveness.

4.70 ***'Registrar'***

The Registrar or Deputy Registrar(s) of Medical Schemes appointed in terms of section 18 of the Act.

4.71 ***'Regulations'***

Regulations to the Medical Schemes Act, 1998 (Act 131 of 1998).

4.72 **'Rules'**

The Rules of the Scheme, which shall include the Annexure relating to the benefits or the contributions payable.

4.73 **'Spouse'**

The Spouse of a Member to whom the Member is married in terms of any law or custom.

4.74 **'Sub-acute Facility'**

A properly equipped and registered nursing facility, or the Member's or his Dependant's home, where sub-acute nursing and medical care can be provided to patients who no longer require acute care in a hospital.

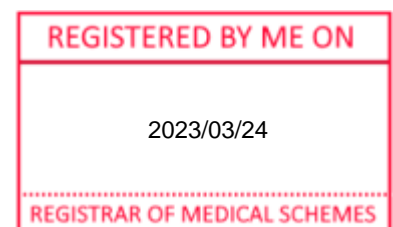
4.75 **'Waiting periods'**

A period of membership during which a member is liable to pay contributions but will not be entitled to claim any benefits for either a 3 month and/or 12-month period.

5. OBJECTIVES

The objectives of the Scheme, subject to the terms and conditions of these Rules, are to:

- 5.1 undertake liability, in respect of its Principal Members and their registered Dependants, in return for a contribution;
- 5.2 make provision for the obtaining of any relevant health service;
- 5.3 grant assistance in defraying expenditure incurred in connection with the rendering of any relevant health service;
- 5.4 where applicable, render a relevant health service either by the Scheme itself, or by any supplier or group of suppliers of a relevant health services or by any person in association with, or in terms of an agreement with the Scheme, and



- 5.5 ensure that the values and practices of the Scheme as enshrined in the Constitution of the Republic of South Africa, the Medical Schemes Act 131 of 1998, as amended, King IV on Corporate Governance and the Code of Conduct for KeyHealth Officers, are upheld.

6. ESTABLISHMENT

KeyHealth is with effect from 1 January 2008, hereby established in terms of the amalgamation of Global Health and Munimed Medical Schemes in accordance with the Medical Schemes Act of 1998.

7. MEMBERSHIP

7.1 ELIGIBILITY

Subject to Rule 9, membership is open to any person or group of persons.

7.2 RETIREES OF PARTICIPATING EMPLOYER GROUPS

7.2.1 A Member shall retain his membership of the Scheme together with his registered Dependants, if any, in the event of his retiring from the service of his employer or his employment being terminated by his employer on account of age, ill health or other disability.

7.2.2 The Member has the right to continue his membership at his current rate of contribution payable from the date of retirement or termination of his employment, unless the Member informs the Scheme otherwise in writing.

7.2.3 A Member whose services are terminated by his employer for any other reason than stipulated in Rule 7.2.1:

7.2.3.1 may retain his membership;

7.2.3.2 will pay monthly contributions on the basis prescribed in Annexure A; and

7.2.3.3 will receive benefits on the basis prescribed in Annexure

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B, depending on the option elected.

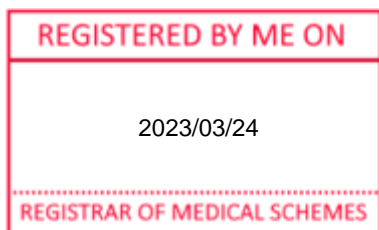
7.3 DEPENDANTS OF DECEASED MEMBERS

- 7.3.1 The Dependants of a deceased Member who are registered with the Scheme as his Dependants at the time of such Member's death shall be entitled to continued membership of the Scheme without any new restrictions, limitations or waiting periods. Unless the eldest Dependant of the deceased Member informs the Scheme in writing of his intention not to become the Principal Member, he shall be admitted as the Principal Member of the Scheme.
- 7.3.2 Such Dependants' membership terminates if they become principal members or dependants of a principal member of another medical scheme.
- 7.3.3 Where a Child Dependant has been orphaned, any of the Child Dependants may be deemed to be the Member, to whom Principal Member contributions will be applicable, and any other sibling as the Child Dependant.

8. REGISTRATION AND DE-REGISTRATION OF DEPENDANTS

8.1 REGISTRATION OF DEPENDANTS

- 8.1.1 A Member may apply for registration of his Dependants at the time of his application for membership in terms of Rule 9.
- 8.1.2 If a Member gets married subsequent to joining the Scheme and applies within thirty (30) days of the date of such marriage to register his spouse as a Dependant, his Spouse shall, subject to Rule 9, thereupon be registered by the Scheme as a Dependant. Increased contributions shall be due as from the first (1st) day of the month following the month of marriage and benefits will accrue as from the date of marriage.



8.1.3 A Member must apply to register a new-born or newly adopted child within thirty (30) days of the date of birth or adoption of the child, and such child shall thereupon be registered by the Scheme as a Child Dependant. Increased contributions shall then be due as from the first (1st) day of the month following the birth or adoption. Benefits will accrue as from the date of birth or adoption. (Refer to Rule 9.6.3.). Applications received after thirty (30) days will be registered from date of receipt of an application or the first day of the month following the submission of the application.

8.2 DE-REGISTRATION OF DEPENDANTS

8.2.1 A Member shall inform the Scheme within thirty (30) days of the occurrence of any event which results in any one of his Dependants no longer satisfying the conditions in terms of which he may be a Dependant.

8.2.2 When a Dependant ceases to be eligible to be a Dependant, he shall no longer be deemed to be registered as such for the purpose of these Rules or entitled to receive any Benefits, regardless of whether notice has been given in terms of these Rules or otherwise.

9. TERMS AND CONDITIONS APPLICABLE TO MEMBERSHIP

9.1 No person may be a member of more than one medical scheme, or a dependant:

9.1.1 of more than one member of a particular medical scheme; or

9.1.2 of members of different medical schemes.

9.2 No Member may claim or accept benefits in respect of himself or any of his Dependants from any medical scheme in relation to which he is not a member.

9.3 Prospective Members shall, prior to admission, complete and submit the relevant application forms required by the Scheme, together with

satisfactory evidence in respect of himself and his Dependants, of age, state of health and any prior membership or admission as Dependant of any other medical scheme. The Scheme may require an applicant to provide the Scheme with a medical report in relation to any proposed Beneficiary in respect of a condition for which medical advice, diagnosis, care or treatment was recommended or received within the twelve (12) month period ending on the date on which an application for membership was made. The costs of any medical tests or examinations required to provide such medical report will be paid for by the Scheme. The Scheme may, however, designate a provider to conduct such tests or examinations. Applicants will be registered for benefits after the underwriting process has been finalised, the conditions of membership accepted by the applicant and the Scheme has granted the applicant admission as a Beneficiary. If found that a Member has submitted false information or has deliberately omitted any relevant information on an application, the Scheme may terminate the membership (Refer to Rule 13.6).

9.4 Should there be any change in state of health or illness suffered by an applicant or any of his/her registered dependants from the date of signing the application form and the date of inception on the Scheme, notification of such change must be provided to the Scheme in writing with full details of such condition/ailment.

9.5 Waiting periods

9.5.1 Subject to the provisions of Rule 9.6, the Scheme may impose upon a person in respect of whom an application is made for membership or admission as a Dependant, and who was not a Beneficiary of a medical scheme for a period of at least ninety (90) days preceding the date of application:

9.5.1.1 a General Waiting Period of up to three (3) months, and/or

9.5.1.2 a Condition-specific Waiting Period of up to twelve (12) months, where applicable.

9.5.1.3 PMBs may also be excluded during the waiting period.

9.5.2 The Scheme may impose upon any person in respect of whom an application is made for membership or admission as a Dependant, and who was previously a beneficiary of a medical scheme for a continuous period of up to twenty-four (24) months, terminating less than ninety (90) days immediately prior to the date of application:

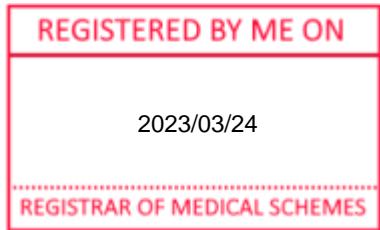
9.5.2.1 a Condition-specific Waiting Period of up to twelve (12) months, except in respect of any treatment or diagnostic procedures covered within the Prescribed Minimum Benefits, and

9.5.2.2 in respect of any person contemplated in this sub-Rule, where the previous medical scheme had imposed a General or Condition-specific Waiting Period, and such waiting period had not expired at the time of termination, a General or Condition-specific Waiting Period for the unexpired duration of such waiting period imposed by the former medical scheme.

9.5.3 The Scheme may impose upon any person in respect of whom an application is made for membership or admission as a Dependant, and who was previously a beneficiary of a medical scheme for a continuous period of more than twenty-four (24) months, terminating less than ninety (90) days immediately prior to the date of application:

9.5.3.1 a General Waiting Period of up to three (3) months, except in respect of any treatment or diagnostic procedures covered within the Prescribed Minimum Benefits.

9.6 No waiting periods may be imposed on:



9.6.1 a person in respect of whom application is made for membership or admission as a Dependant, and who was previously a beneficiary of a medical scheme, terminating less than ninety (90) days immediately prior to the date of application, where the transfer of membership is required as a result of:

9.6.1.1 change of employment, or

9.6.1.2 an employer changing or terminating the medical scheme of its employees, in which case such transfer shall occur at the beginning of the financial year, or reasonable notice must have been provided to the scheme to which an application is made, for such transfer to occur at the beginning of the financial year

where the former medical scheme had imposed a General or Condition-specific Waiting Period in respect of persons referred to in this Rule, and such waiting period had not expired at the time of termination of membership, the Scheme may impose such waiting period for the unexpired duration of a waiting period imposed by the former medical scheme, or

9.6.2 a Member who changes from one benefit option to another within the Scheme, unless that Beneficiary is subject to a waiting period on the current benefit option, in which case the remaining period may be applied, or

9.6.3 a Child Dependant born onto the Scheme during the period of membership, subject to Rule 8.1.3.

9.7 Any child born from the marriage of a Member or any child legally adopted by a Member or a child placed in foster care by a Court, shall be recognized as a Dependant after submission of the birth certificate or proof of birth provided by the hospital/clinic to the Scheme and in the event of an adoption, the order of adoption or in the case of foster care, the Court order

of such child. If application for registration is made within thirty (30) days then increased membership fees, where applicable, shall be paid from the first (1st) day of the month following that in which the child was born, adopted or placed in foster care: Provided that the Scheme acknowledges as a Dependant a child which is supported by a Member away from its parent(s) and in respect of which an application for an adoption order has been made, if the increased membership fees, where applicable, have been paid and the Commissioner of Child Welfare to whom such application has been directed, has advised the Scheme in writing that such application is being considered.

- 9.8 The registered Dependents of a Member must participate in the same benefit option as the Member.
- 9.9 Every Member will, on admission to membership, receive a Member Guide which shall include information regarding contributions, benefits, limitations and the Beneficiaries' relevant rights and obligations.
- 9.10 A Member may not cede, transfer, or pledge to any third party any claim, or part of a claim, or any right to a benefit which he may have against the Scheme. The Scheme may withhold, suspend or discontinue the payment of a benefit to which a Member is entitled under these Rules or any right in respect of such benefit or payment of such benefit to such Member, if a Member attempts to assign or transfer, or otherwise cede or pledge such benefit.
- 9.11 The Scheme shall re-instate membership of a Member whose membership has been terminated in terms of Rule 13.4 or 13.5 within thirty (30) days of termination. Otherwise the Member must re-apply for membership in which case Rule 9 will be applicable.

10. TRANSFER OF GROUPS FROM ANOTHER MEDICAL SCHEME

If the members of a medical scheme who are members of that scheme by virtue of their employment by a particular employer, terminate their membership of such

scheme with the object of obtaining membership of KeyHealth, the Board will admit as a Member, without a waiting period, any member of such first-mentioned scheme who is a continuation Member by virtue of his past employment by the particular employer and admit any person who has been a registered dependant of such Member, as a Dependant.

11. MEMBERSHIP CARD AND CERTIFICATE OF MEMBERSHIP

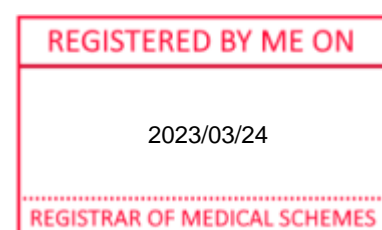
11.1 Every Member shall be furnished with a membership card, containing such particulars as prescribed by the Act. In circumstances acceptable to the Scheme, an additional membership card may be provided to a Member. This card must be provided to the supplier of a service on request. It remains the property of the Scheme and must be destroyed on termination of membership.

11.2 The utilization of a membership card by any person other than the Member or his registered Dependants, with the knowledge or consent of the Member or his Dependants, is not permitted and shall be construed as an abuse of the benefits of the Scheme, which could lead to the termination of membership.

11.3 On termination of membership, the Scheme must, within thirty (30) days of such termination, furnish such person with a Certificate of Membership.

12. CHANGE OF MEMBER DETAILS

A Member must notify the Scheme within thirty (30) days of any changes including his Domicilium citandi et executandi. No changes will be implemented retrospectively. The Scheme shall not be held liable if a Member's rights are prejudiced or forfeited as a result of the Member's neglecting to comply with the requirements of this Rule.



13. TERMINATION OF MEMBERSHIP

13.1 RESIGNATION FROM PARTICIPATING EMPLOYER GROUPS

13.1.1 A Member who, in terms of his conditions of employment, is required to be a Member of the Scheme, may not terminate his membership while he remains an employee without the prior written consent of his employer.

13.1.2 A Member who resigns from the service of the participating employer shall, on the date of such termination, be eligible to continue membership as an individual Member without re-applying or the imposition of any new restrictions or waiting periods that did not exist at the time of his resignation.

13.1.3 A Member who resigns from the service of the participating employer and who elects not to continue his membership shall, on the date of such termination, cease to be a Member and all rights to benefits shall thereupon cease, except for claims in respect of services rendered prior thereto.

13.2 VOLUNTARY RESIGNATION FROM THE SCHEME

13.2.1 An individual Member or a Member who is not required in terms of his conditions of employment to be a Member, may resign from the Scheme by giving at least one (1) calendar month's written notice. All rights to benefits cease after the last day of membership.

13.2.2 Such notice period may be waived in substantiated cases where membership of another medical scheme is compulsory as a result of a condition of employment.

13.2.3 A participating employer may terminate his participation with the Scheme by giving at least one (1) calendar month's prior written notice.

13.3 DEATH

Membership of a Member terminates on his date of death.

13.4 FAILURE TO PAY AMOUNTS DUE TO THE SCHEME

If, after proper notification by the Scheme, a Member still fails to pay his contributions or any other debt owed to the Scheme or fails to make any payment or arrangement with the Scheme regarding payment of such debts, his membership may be terminated as provided for in these Rules. In the event of a Member being in debt to the Scheme, such Member can only be reinstated once the debt is settled.

13.5 REINSTATEMENT OF MEMBERSHIP

13.5.1 Voluntary resignation:

13.5.1.1 A Member may apply for re-instatement of membership within thirty (30) days of the date of notification of termination, up to the date of resignation.

13.5.1.2 Should a Member request re-instatement after the resignation date, the Member needs to re-apply for membership by completing an application form, after which normal underwriting will apply.

13.5.2 Terminations due to outstanding debts:

13.5.2.1 A Member terminated due to outstanding debt, may apply for re-instatement within thirty (30) days from the date of notification of termination, provided that all outstanding debts are settled. Such application must be accompanied by a Declaration of Health to determine underwriting for the Member and his dependant(s).

13.5.2.2 Should a Member request re-instatement after the thirty (30) days period, the Member needs to re-apply for membership by

completing an application form, after which normal underwriting will apply.

13.6 ABUSE OF PRIVILEGES, FALSE CLAIMS, MISREPRESENTATION AND NON-DISCLOSURE OF MATERIAL FACTUAL INFORMATION

13.6.1 The Scheme may suspend or terminate the membership of a beneficiary who submitted fraudulent claims, committed any fraudulent act or failed to disclose material information when applying for membership.

13.6.2 An applicant is obliged to disclose material information to the Scheme with regard to any matter concerning the state of health or medical history of the Member concerned or that of any of his Dependants, which arose or occurred during the period of 12 months preceding the date of application of membership.

13.6.2.1 In such event the Member may be required to refund to the Scheme any claims paid by the Scheme.

13.6.2.2 The Scheme may deduct any claims paid by the Scheme from the contributions paid by the Member. The Scheme must refund the remainder of the contributions to the Member.

14. CONTRIBUTIONS

14.1 The total monthly contributions payable to the Scheme by or in respect of a Member are stipulated in Annexure A. The member will remain liable for the total contribution irrespective of any portion of the contribution paid by an employer/pension fund on his behalf.

14.2 Contributions to be paid as follows:

14.2.1 Contributions shall be due monthly in advance and be payable by not later than the seventh (7th) day of each month. When

contributions are in arrears, Members shall be notified that membership will be suspended after three (3) days from notification due to non-payment or partial payment of contributions, with effect from the 1st day of the month for which contributions are due. A written confirmation of suspension will be issued to the Members involved. Membership will be terminated if no payment is received within ninety (90) days from the date the amount was due.

14.2.2 Where applicable, contributions shall be due in arrears and be payable by not later than the last day of the month in which the contribution to the Scheme is due. Where contributions owing to the Scheme, have not been paid by the seventh (7th) day of the following month, Members shall be notified that membership will be suspended after three (3) days from notification due to non-payment or partial payment of contributions, with effect from the 1st day of the month for which contributions are due. A written confirmation of suspension will be issued to the Members involved. Membership will be terminated if no payment is received within ninety (90) days from the date the amount was due.

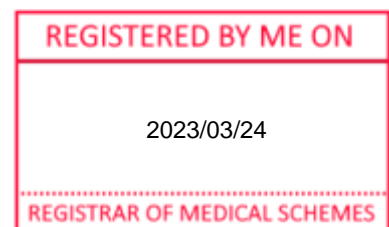
Note: Notices sent by post to the Member at his Domicilium citandi et executandi shall be deemed to have been received by the Member on the seventh (7th) day after the date of posting. In the event that the Member fails to nominate a Domicilium citandi et executandi, the Member's postal or residential address on his application form shall be deemed to be his Domicilium citandi et executandi.

14.3 In the event that payments are brought up to date and provided membership has not been cancelled in accordance with Rule 14.2.1. and 14.2.2, benefits shall be reinstated without any break in continuity, subject to the right of the Scheme to levy a reasonable fee to cover any expenses associated with the default of the Member. If such payment is not brought up to date, no benefits shall be due to the Member from the date of default and any such benefit paid will be recovered by the Scheme.

- 14.4 Unless specifically provided for in the Rules in respect of Personal Medical Savings Accounts, no refunds of any portion of contributions shall be paid to any Member, if membership or cover in respect of any Dependant terminates during the course of a month.

15. LIABILITIES OF EMPLOYER AND MEMBER

- 15.1 The liability of the employer towards the Scheme is limited to any amount payable in terms of any agreement between the employer and the employee.
- 15.2 The liability of a Member towards the Scheme is for the total unpaid contributions together with any sum disbursed by the Scheme on his or his Dependant's behalf and which amount has not yet been repaid to the Scheme.
- 15.3 As soon as a Member's membership has been terminated, the amount for which he is responsible in terms of Rule 15.2, is payable to the Scheme and can be recovered from such a person.
- 15.4 If the Scheme has to institute legal steps to recover debt owing by a Member because of the Member's non-payment, the Member shall be responsible for payment of any legal costs on the attorney and own client-scale, which includes recovery of commission and any other related costs, for instance tracing fees, and if the amount outstanding exceeds the limit of the jurisdiction of a Magistrate's court, the Member agrees to the jurisdiction of the Magistrate's Court for the issuing of all documents of a lawsuit.
- 15.5 A person whose membership has been terminated in terms of the provisions of Rule 13, shall send any outstanding amount payable by him to the Scheme, provided that in the event of termination of membership on account of a Member's death, the Scheme may grant the executor of the estate such extension of time as it may deem fit.



16. CLAIMS PROCEDURE

- 16.1 Every claim submitted to the Scheme in respect of the rendering of a relevant health service as contemplated in these Rules, must be accompanied by an account or statement as prescribed.
- 16.2 An account shall state the following:
- 16.2.1 the surname and initials of the Member;
 - 16.2.2 the surname and first name and other initials of the member-patient;
 - 16.2.3 the name of the Scheme;
 - 16.2.4 the membership number of the Member;
 - 16.2.5 the practice code number, group practice number and individual provider registration number issued by the registering authorities for providers, of the service provider and, in the case of a group practice, the name of the practitioner who has rendered the service;
 - 16.2.6 the date on which each service was rendered;
 - 16.2.7 the nature and the cost of each service rendered, including the relevant diagnostic code (e.g. ICD-10 code) and tariff code of the item applicable to the service rendered and where such service provider dispensed medicine to a Member or his Dependant, the name, quantity, dosage and net amount payable for such medicine;
 - 16.2.8 in the case where a Pharmacist dispensed over-the-counter medicine to a Member or his Dependant, the proof of the medicine dispensed and proof of payment;
 - 16.2.9 the relevant diagnostic and such other item code number which pertains to such health service;

16.2.10 in the case where mention is made in such account or statement of the use of a theatre where an operation on a Member or his Dependant was undertaken:

16.2.10.1 the name and the practice code number of the Medical Practitioner who performed the operation;

16.2.10.2 the name or names and the practice code number of each Medical Practitioner who assisted in the operation, and

16.2.10.3 all procedures that were performed;

16.3 If an account, statement or claim is correct or where a corrected account, statement or claim is received, as the case may be, the Scheme must, in addition to the payment contemplated in section 59(2) of the Act, dispatch to the Member a statement containing at least the following particulars:

16.3.1 the name and the membership number of the Member;

16.3.2 the name of the supplier of the service;

16.3.3 the name of the beneficiary to whom the service was provided;

16.3.4 the final date of service rendered by the supplier of service on the account or statement, which is covered by the payment;

16.3.5 the total amount charged for the service concerned, and

16.3.6 the amount of the benefit awarded for such service.

16.4 Accounts for treatment of injuries or expenses recoverable from third parties, including the National Occupational and Safety Association, must be supported by a statement, setting out the following:

16.4.1 Particulars of the circumstances in which the injury or accident was sustained;

- 16.4.2 The total amount of medical costs;
- 16.4.3 The total amount of compensation to be received or recovered;
- 16.4.4 The amount of compensation to be received or recovered in respect of the medical costs, and
- 16.4.5 The source or party who is liable for the compensation.
- 16.5 In order to qualify for benefits, all claims must, unless otherwise arranged, be signed and must be submitted to the Scheme before the end of the fourth month (4th) from the last date of service rendered as stated on the accounts statement. For purposes of the calculation of a benefit allocation, each month's service shall be taken into account separately, whether or not the service concerned forms part of prolonged treatment for the same illness or condition, provided that the provisions of this rule shall not be applicable to accounts rendered to the executors of deceased estates:
- 16.5.1 It shall be the duty of a Member to obtain accounts of all services rendered from the provider of such services;
- 16.5.2 The period referred to in Rule 16.5 may be extended by the Scheme upon receipt of a written application accompanied by the relevant proof submitted by the Member.
- 16.6 If the Scheme is of the opinion that an account, statement or claim is erroneous or unacceptable for payment, the Scheme shall notify the Member and the relevant health care provider, within thirty (30) days after receipt thereof and state the reasons. The Scheme shall afford such Member and provider the opportunity to resubmit such corrected account or statement to the Scheme within sixty (60) days following the date from which it was returned for correction.
- 16.7 A claim for repayment of the Scheme's portion of an account paid directly by a Member, must be submitted to the Scheme on or before the last day of the fourth (4th) month following the month in which the service was

rendered, and must be accompanied by the account, fully specified in terms of Rule 16.2 as well as the receipt for the payment thereof.

- 16.8 If an account is not submitted within the period mentioned in rules 16.6 and 16.7, no benefits will be payable.
- 16.9 Any portion of an account in excess of the Medical Scheme Tariff, DSP price, Reference Price or cost, whichever is the lesser, or the maximum amount determined in Annexure B, and which is not payable by the Scheme, shall remain the personal liability of the Member concerned.
- 16.10 Any claim against the Scheme for which compensation can be recovered from a third party, e.g. the Road Accident Fund (RAF) or Workmen's Compensation Fund (WCF), must be reported to the Scheme as soon as possible after the incident or event that gave rise to the claim. In such circumstance, the Scheme will fund the required treatment in terms of the Scheme rules and benefits options and PMB legislation, but the member will be required to provide an undertaking to KeyHealth to reimburse to the Scheme any funds recovered by the member from a third party in respect of the claims paid by the Scheme.

17. BENEFITS PAYABLE

- 17.1 Members are entitled to benefits during a benefit (financial) year, rendered within the borders of RSA, as per Annexure B, and such benefits extend to the Member and his registered Dependants. A Member must, on admission, elect to participate in any one of the available options, detailed in Annexure B.
- 17.2 A Member is entitled to change from one to another benefit option, subject to the following conditions:
- 17.2.1 The change may be made only with effect from 1 January of any benefit (financial) year. The Board may, in its absolute discretion, permit a Member to change from one to another benefit option on any other date, provided that such change will be applicable to the

current and following benefit year. This does not apply to any Member who changes to another option in the case of a midyear contribution increase or benefit change.

- 17.2.2 Application to change from one benefit option to another must be lodged in writing with the Scheme prior to the year upon which it is intended that the change will take place, provided that the Member has received at least thirty (30) days prior notification of any intended changes in benefits or contributions for the next year.
- 17.3 The Scheme shall, where an account has been rendered, pay any benefit due to a Member, either to that Member or to the supplier of the relevant health service who rendered the account, within thirty (30) days of receipt of the claim pertaining to such benefit.
- 17.4 Any benefit option offered in Annexure B covers in full the cost of the Prescribed Minimum Benefits provided by a State Hospital or Designated Service Provider.
- 17.5 No limitations or exclusions will be applied to the Prescribed Minimum Benefits.
- 17.6 Subject to any provisions to the contrary contained in the Rules, a person who ceases to be a Member shall, on the date of such termination, forfeit all rights to benefits, except for claims in respect of services rendered prior to such termination date.
- 17.7 Notwithstanding contrary stipulations contained in these Rules, the maximum amount of benefits which accrue to a Member and his registered Dependant(s) in a benefit year shall be as set out in Rule Annexure G for the various options, and, subject to other stipulations of these Rules, benefits shall be payable for services rendered after admission as a Member and up to and including the date of termination of Membership. Any option in Rule Annexure G covers services relating to the Prescribed Minimum Benefits, subject to Rule Annexure B, paragraph A.

17.8 The maximum amount contemplated in Rule 17.7 shall be calculated by adding benefits paid by the Scheme in favour of a Member and his registered Dependant(s) according to the date on which the service was rendered, irrespective of the date on which the claim was submitted.

17.9 The Scheme may exclude services from benefits as set out in Rule Annexure C.

17.10 No benefits are payable in respect of any new service or goods, including newly registered medicine, until such time that the Scheme has been satisfied through the submission of clinical data of the acceptability of all of the following aspects relating to that service or goods:

17.10.1 therapeutic role in clinical medicine;

17.10.2 cost-efficiency;

17.10.3 value relative to existing services or goods, and

17.11 If the Scheme is not satisfied in respect of a particular new service or goods as contemplated in Rule 17.11 above, it may exclude that service or goods from benefits until sufficient clinical data has been submitted or submitted clinical data has been properly reviewed and accepted.

17.12 The Scheme may refuse to grant a Member any such benefit if:

17.12.1 his contribution is in arrears;

17.12.2 he fails to pay his debts to the Scheme in respect of hospital, medication or other medical accounts, and

17.12.3 he abuses the benefits offered by the Scheme.

17.13 Beneficiaries admitted during the course of a financial year are entitled to benefits set out in the relevant benefit option chosen, with the maximum benefits being adjusted in proportion to the period of membership calculated from the date of admission to the end of the particular financial year.

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2023/03/24

REGISTRAR OF MEDICAL SCHEMES

17.14 The Scheme, in its discretion, reserves the right to require that a Member or his Dependant(s) shall consult any particular practitioner the Scheme may nominate at the Scheme's cost.

17.15 The Scheme has the right, through its clinical advisors and with the consent of the Member, to request information about the medical history of any Member of the Scheme, or about any claim for services rendered to a Member. This information will be used to assess the validity and appropriateness of the claim and will be treated confidentially.

17.16 The Scheme has the right to:

17.16.1 assess any claim for healthcare benefits or to have claims assessed to determine its clinical appropriateness, cost-effectiveness and the quality of the services rendered. In conjunction with the Scheme's team of clinical advisors and within the ambit of contracted managed care expertise, the Scheme may intervene, where applicable, to review or alter the use of these services on a prospective, concurrent or retrospective basis and may employ such techniques as the designation of Preferred Providers, reference pricing, pre-authorisation and the use of treatment protocols and formularies;

17.16.2 investigate the authenticity of any claim in respect of services rendered to a Member and/or his registered Dependant(s) and, in so doing, the Scheme may direct that such Member or Dependant shall subject himself, at the Scheme's expense, to a practitioner or supplier of service nominated by the Scheme to verify the claim in question. In the event of there being no acceptable reasons for such claim, no benefit shall be extended or where a benefit has already been extended, such benefit shall be recovered, and action as contemplated in Rule 13.4 be taken against such Member.

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2023/03/24

REGISTRAR OF MEDICAL SCHEMES

18. PAYMENT OF ACCOUNTS

- 18.1 Payment of accounts or reimbursement of claims is restricted to the net amount payable in respect of such benefit and maximum amount of the benefit to which the Member is entitled in terms of the applicable benefit option.
- 18.2 Any discount whether on an individual basis or bulk discount received in respect of a relevant health service shall be for the benefit of the Member in determining the net amount payable for the service and appropriate deduction from the applicable benefit limit, or Personal Medical Savings Account, as the case may be.
- 18.3 The Scheme may, whether by agreement or not with any supplier or group of suppliers, pay the benefit to which the Member is entitled, directly to the supplier who rendered the service.
- 18.4 Notwithstanding the provisions of Rule 18.3, the Scheme has the right to pay any benefit directly to the Member concerned
- 18.5 Where the Scheme has paid an account or portion of an account or any benefit to which a Member is not entitled, whether payment is made to the Member or to the supplier of the service, the amount of any such overpayment is recoverable by the Scheme.
- 18.6 The Scheme may pay contracted providers of service according to contractually agreed reimbursement plans.
- 18.7 Where a valid claim in respect of a benefit subject to a limitation has been processed and paid by the Scheme in terms of the Rules, the claim will, subject to Rules 17.16 and 18.4 be reversed.

19. GOVERNANCE

THE BOARD

19.1 Composition of the Board

The affairs of the Scheme must be managed according to these Rules by a Board consisting of a maximum of nine (9) Trustees who are Members of the Scheme and fit and proper to be Trustees, constituted as follows:

- 19.1.1 A maximum of seven (7) persons who are Members of the Scheme, nominated and elected by the Members of the Scheme.
- 19.1.2 A maximum of two (2) persons may be nominated and appointed by the Board from the Members of the Scheme to address special skills (as knowledgeable persons), any geographic imbalance, transformation and/or representation from large employer groups.

19.2 Eligibility of Trustees

19.2.1 The following persons are not eligible to serve as Trustees of the Board:

- 19.2.1.1 A person under the age of 21 years;
- 19.2.1.2 An employee, Director, Officer, Consultant, or Contractor of any person contracted by the Scheme to provide administrative, marketing or managed health care services or of its holding company, subsidiary, joint venture or associate;
- 19.2.1.3 A Broker;
- 19.2.1.4 The Auditor of the Scheme;
- 19.2.1.5 Any employee of the Scheme;
- 19.2.1.6 A person who serves as a Trustee on the Board of any other medical scheme.

19.3 Term of Office

- 19.3.1 Trustees of the Board of Trustees with effect from the 2018 election shall serve a term of office of 4 (four) years.
- 19.3.2 Retiring Trustees of the Board are eligible for re-election and/or re-appointment provided that no person shall serve more than 2 (two) consecutive terms and no more than 3 terms all together.
- 19.3.3 A Member of the Board may resign at any time, by giving written notice to the Board of his/her intention not to remain a Board Member.
- 19.3.4 The term of office of a trustee expires at an Annual or Special General Meeting, notwithstanding that such meeting may be held at an earlier or later date than the end of the fourth year of their term of office.

19.4 Casual Vacancies

- 19.4.1 The Board shall fill by appointment, any casual vacancy arising during the term of office of a Trustee of the Board due to such Trustee resigning or ceasing to hold office in terms of Rule 19.16, as soon as possible, after the vacancy occurs.
- 19.4.2 A person so appointed must retire at the first ensuing Annual General Meeting and that meeting may fill the casual vacancy for the unexpired period of office of the vacating Trustee of the Board.
- 19.4.3 A person so appointed shall assume all the rights, obligations and powers of the Trustee in whose position s/he is appointed, provided that such a Trustee shall retire at the first ensuing Annual General Meeting of the Scheme, unless that meeting confirms his/her appointment, in which case, the trustee appointed to fill the casual vacancy shall be confirmed as a trustee and shall remain in office as such for the unexpired duration of the period of the office of the trustee who s/he was appointed to replace.

19.4.4 Should the Members of the Board no longer constitute a quorum, then those Members of the Board remaining shall be obliged to call for elections and make such appointments of trustees as may be necessary, within 60 (sixty) days of it becoming inquorate, to ensure that the Board becomes quorate.

19.4.5 In the circumstances as aforesaid, the remaining Members of the Board (minimum of 7 Trustees), pending the finalization of the election and appointment of trustees as contemplated herein, shall in the interim constitute the Board with full powers to do all that may be necessary in respect of the business of the Scheme as if it were fully and properly constituted.

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2023/03/24

REGISTRAR OF MEDICAL SCHEMES

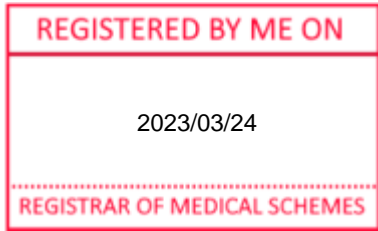
19.5 Nomination and Election of Trustees to the Board

The Board shall ensure that best practices are followed to ensure that the trustee nomination and election process is free and fair and shall appoint an Independent Body to oversee and conduct the nomination process and the elections. The nomination and election procedures are as follows:

- 19.5.1 The Scheme shall send out notices calling for nominations to all Members no later than 4 months before the expiry of the term of office of any elected Trustee.
- 19.5.2 The notices calling for nominations shall inform Members of vacancies to be filled, the nomination process, together with a nomination form approved by the Board.
- 19.5.3 Each nomination shall contain at least a short CV of the candidate, in a format specified on the nomination notice.
- 19.5.4 Original nomination forms duly signed and completed by Members of the Scheme must be received by a date determined by the Board.
- 19.5.5 Each nomination form must be made on the original form provided by the Scheme, signed by a proposer and five seconders, and the

candidate signifying his consent to stand for election, provided that a candidate may not propose or second himself/herself. The nominee as well as the proposer and five seconders must be Members of the Scheme and must be in good standing.

- 19.5.6 A nomination form shall be invalid if it is received by the Scheme after the closing date, if it is not completed in full or if it is not signed by all abovementioned signatories; that is, the proposer and all seconders.
- 19.5.7 The Scheme shall cause a vetting process to be undertaken to ensure that nominated candidates are eligible to serve as trustees and shall compile a final list of candidates that are eligible for the election. Such a vetting process may include inviting Members of the Scheme to submit written objections, if any, to nominees.
- 19.5.8 The Scheme shall send to all Members a list of vetted eligible candidates for receiving nominations as stipulated in rule 19.2, together with:
- 19.5.8.1 summarised CV of each vetted eligible candidate
 - 19.5.8.2 a ballot form; and
 - 19.5.8.3 a letter indicating to Members by when and through which means their ballot forms must be received by the Scheme.
- 19.5.9 The Board may employ any resources and processes necessary and delegate any necessary authority to any competent person or committee to take decisions and implement processes related to the nomination and electoral process. The resources and processes contemplated herein include, but are not limited to, processing and receipt of nomination and ballot packs and returning nominations and ballots to the electoral body through electronic means and walk-in centres.



- 19.5.10 Member ballots shall be received on a date prior to an Annual or Special General Meeting, as may be determined by the Board, in order to allow for verification of such ballots to be undertaken. Members present at an Annual or Special General Meeting and who have not yet returned their cast ballots, shall have a right to vote in an election in person at the aforesaid meeting, provided that they are Members in good standing with the Scheme, and are in attendance at the said meeting either in person or virtually.
- 19.5.11 The Scheme shall cause the votes received back from Members' ballots to be counted by the electoral body. The Scheme shall require its auditors to verify the outcome of the voting process.
- 19.5.12 The results of an election of trustees need not to be announced at a general meeting and may be announced at a later stage should it be deemed appropriate by the Board, provided that such later date is not later than 30 (thirty) days after the Annual or Special General Meeting. The Board is entitled to take into account the results of such voting as may have taken place at a general meeting, notwithstanding that the meeting may have been interrupted and not have concluded its business. In the event that the Trustees do not announce the election results within 30 days of an Annual or Special General Meeting, the Registrar of Medical Schemes shall review the election process and have the power to declare such results.
- 19.5.13 Candidates who receive the most votes, in descending order, shall be elected as trustees until all vacancies have been filled.
- 19.5.14 In the event that more than 1 (one) candidate receives the same number of votes, and there are insufficient seats on the Board available for all such candidates, then where the outcome of the election is to be announced at the Annual General Meeting, Members at the Annual General Meeting shall be asked to cast their votes in respect of such candidates. The candidate who receives the highest number of votes shall be appointed as trustee.

19.5.15 All Trustees shall be required to conform to the Code of Conduct applicable to Trustees, as adopted from time to time, and signed off accordingly.

19.6 Quorum at Meetings

19.6.1 Fifty (50) percent plus (1) one of all the Members of the Board shall constitute a quorum for a meeting of the Board, regardless of whether the Members are physically present or via video or telephone (virtual).

19.6.2 Business of the Scheme shall be transacted only if the required quorum is present at the commencement and throughout the meeting.

19.6.3 Members of the Board shall for the purposes of constituting a quorum, not include suspended Board members.

19.7 Election of Office Bearers

19.7.1 The Board Shall nominate and elect a Chairperson and Deputy Chairperson, by secret ballot, at its first meeting of their new term of office as Trustees.

19.7.2 The Chairperson and Deputy Chairperson will serve a term of four (4) years, subject to the provisions of rule 19.3.2 that no person shall serve more than two (2) consecutive terms and no more than three (3) terms altogether.

19.7.3 The election shall be facilitated by the Principal Officer or any independent expert serving on a Board Sub-Committee.

19.7.4 The election will be conducted through ballot and the results shall be known and announced to the Board and the Principal Officer immediately upon the result being known.

19.7.5 Should the Chairperson or Deputy Chairperson resign or cease to be a Member of the Board or be removed from Office by the Board or is in any other way disqualified, the Board shall elect from within the ranks of the Trustees, another Chairperson to fill the vacancy for the remaining period for which the previous incumbent was elected.

19.7.6 The Board may at anytime, by way of a two-thirds majority, through secret ballot, vote to remove the Chairperson or Deputy Chairperson. In the event of such a removal of the Chairperson or Deputy Chairperson, the Board shall elect from within the ranks of the Trustees, another Chairperson or Deputy Chairperson to fill the vacancy for the remaining period for which the previous incumbent was elected.

19.7.7 In the absence of the Chairperson and Deputy Chairperson, the Trustees present shall elect one of the Trustees to preside over that meeting.

19.8 Voting at Board Meetings

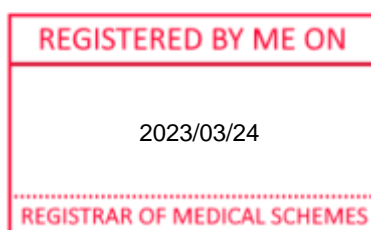
19.8.1 Matters serving before the Board shall, for strategy, policy and Rule amendments, be approved by at least sixty-six and two thirds percent (66.67%) majority and for all other matters by simple majority, of those Trustees present.

19.8.2 The Chairperson of the Board shall have a deliberative vote but shall not have a casting vote.

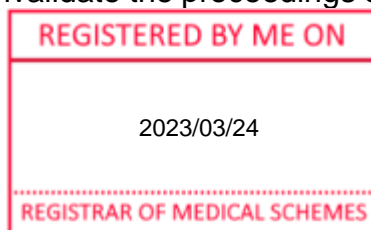
19.9 Meetings of the Board

19.9.1 The Board shall meet quarterly either in person or virtually, to conduct its business. In addition, the Board will conduct an annual strategic session and the annual general meeting.

19.9.2 Seven (7) clear days' notice of a Board meeting, unless otherwise agreed by the Board, shall be given to each Member of the Board and such notice shall, as far as possible, contain a statement of the business to be transacted at the meeting.



The non-receipt of any notice shall not invalidate the proceedings of any meeting of the Board.



19.10 Special Meetings of the Board

19.10.1 At least one third (1/3) of Trustees of the Board may request the Chairperson to convene a special meeting of the Board, stating the matters to be discussed at such meeting. The agenda of the meeting shall be furnished to members at least 7 (seven) days before the meeting.

19.10.2 The Board may, subject to participation by enough Members to form a quorum, discuss and resolve matters by telephone or electronic conferencing means and may adopt resolutions on that basis.

19.10.3 Upon receipt of the request, the Chairperson shall within 7 seven days thereafter convene a special meeting of the Board to deal with matters stated therein for which notice shall be given as provided for in Rule 19.10.1. The non-receipt of such notice by a member shall invalidate the proceedings at such a meeting, provided that the notice procedure followed by the Board was reasonable.

19.11 Round-robin resolution

19.11.1 A resolution in writing signed by Board Members forming a quorum, shall be as valid and effectual as if it had been passed at a meeting of the Board, duly called and constituted: Provided that one of the signatories shall be the Chairperson.

19.11.2 Any such resolution may consist of several documents in like form, each signed by one or more of the signatories contemplated in this Rule.

19.12 Appointment of Committees

19.12.1 The Board may, if necessary, appoint sub-committees, but shall appoint the following sub-committees:

- 19.12.1.1 An Audit Committee comprising two (2) Trustees plus three (3) external members, who have to be in the majority and of whom one must chair the meetings.
- 19.12.1.2 A Disputes Committee comprising at least three (3) persons who shall not be Trustees of the Board.

19.13 Record of Proceedings of Meetings

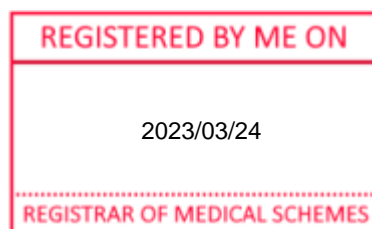
- 19.13.1 The Board shall cause the proceedings of all annual and special general meetings of Members and Board meetings to be properly minuted.
- 19.13.2 The minutes of such meetings shall be laid before the first succeeding respective meeting.

19.14 Evidence of Minutes

Every minute signed by the chairperson of the meeting to which such minutes relate or signed by the Chairperson of the meeting subsequent to the meeting to which such minutes relate shall constitute prima facie evidence of the facts stated therein.

19.15 Remuneration of Board Members

- 19.5.1 Members of the Board of Trustees shall be entitled to remuneration in line with the Trustee Remuneration Policy adopted by the Board and approved by members at the Annual General Meeting. In addition, the Board of Trustee shall be entitled to incidental or out of pocket expenses incurred during the course and scope of executing their responsibilities as Trustees.
- 19.15.2 Any other costs incurred by a member of the Board of Trustees on instruction of the Board of Trustees shall be payable in accordance with the policy as determined by KeyHealth.



19.16.1 Cessation of Office

19.16.1.1 A Trustee of the Board ceases to hold office if -

- 19.16.1.1.1 he/she dies
- 19.16.1.1.2 he/she resigns as a trustee
- 19.16.1.1.3 he/she becomes mentally ill or incapable of managing his affairs;
- 19.16.1.1.4 he/she is declared insolvent or has surrendered his estate for the benefit of his creditors;
- 19.16.1.1.5 he/she is convicted, whether in the Republic or elsewhere, or theft, fraud, forgery or uttering of a forged document or perjury;
- 19.16.1.1.6 he/she is removed by the court from any office of trust on account of misconduct;
- 19.16.1.1.7 he/she is disqualified under any law from carrying on his profession;
- 19.16.1.1.8 he/she ceases to be a member of the Scheme;
- 19.16.1.1.9 he/she is removed from office by the Council in terms of Section 46 of the Act;
- 19.16.1.1.10 he/she without the approval of the Board absentshimself/herself from any three (3) consecutive meetings of the Board;
- 19.16.1.10 he/she acts in a manner which is seriously prejudicial to the interests of beneficiaries of the medical scheme, and is removed by the Board, provided that:
 - 19.16.10.1 before a decision is taken to remove the Member of the Board, the Board shall furnish that Member with full details of the evidence which the Board has at its disposal regarding the conduct complained of, and allow such Member a period of not less than 30 days in which to respond to the allegations;

19.16.10.2 the resolution to remove that Member is taken by at least two thirds of the Members of the Board present in person or by proxy entitled to vote;

19.16.1.11 the Member shall have recourse to dispute procedures of the scheme or complaints and appeal procedures provided for in the Act.

19.16.1.2 The provision of Rules 19.16.1 to 19.16.9 shall apply mutatis mutandis to the Chief Executive Officer.

19.17 DUTIES OF THE BOARD

19.17.1 The Board is responsible for the proper and sound governance of the Scheme and management of the Scheme in terms of these Rules and the applicable laws.

19.17.2 The Board must act with due care, diligence, skill and in good faith.

19.17.3 Trustees of the Board must avoid conflicts of interests and must declare any interest they may have in any particular matter serving before the Board.

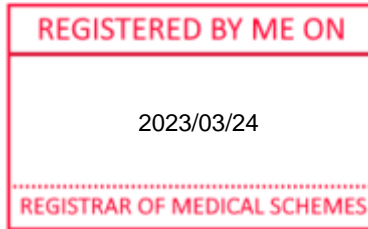
19.17.4 The Board must apply sound business principles and ensure the financial soundness of the Scheme.

19.17.5 The Board shall appoint a Chief Executive Officer (Principal Officer) who is fit and proper to hold such office for a fixed term period not exceeding 10 years.

19.17.6 The Chairperson must preside over meetings of the Board and ensure proper conduct at meetings.

19.17.7 The Board must cause to be kept up to date such minutes, accounts, entries, registers and records as are essential for the proper functioning of the Scheme.

19.17.8 The Board must ensure that proper control systems are employed by and on behalf of the Scheme.



- 19.17.9 The Board must ensure that adequate and appropriate information is communicated to the Scheme Members regarding their rights, benefits, contributions and duties in terms of the Rules.
- 19.17.10 The Board must take all reasonable steps to ensure that contributions are paid timely to the Scheme in accordance with the Act and the Rules.
- 19.17.11 The Board must take out and maintain an appropriate level of professional indemnity insurance and fidelity guarantee insurance.
- 19.17.12 The Board must obtain expert advice on legal, accounting and business matters as required, or on any other matter of which the Trustees of the Board may lack sufficient expertise.
- 19.17.13 The Board must ensure that the Rules and the operation and administration of the Scheme comply with the provisions of the Act and all other applicable laws.
- 19.17.14 The Board must take all reasonable steps to protect the confidentiality of medical records concerning any Member or Dependant's state of health.
- 19.17.15 The Board approves all disbursements but may delegate the approval of such disbursements to the Chief Executive Officer.
- 19.17.16 The Board must cause to be kept in safe custody, in a safe or strong room at the registered office of the Scheme or with any financial institution approved by the Board, any mortgage bond, title deed or other security belonging to or held by the Scheme, except when in the temporary custody of another person held on behalf of the Scheme.
- 19.17.17 The Board must take such provision it deems desirable, and with due regard to normal practice and recommended guidelines pertaining to retention of documents, for the safe custody of the books, records, documents and other effects of the Scheme.
- 19.17.18 The Board must disclose annually in writing to the Registrar, any payment or considerations made to them in that particular year by the Scheme as prescribed.

19.17.19 The Board shall take all reasonable steps to ensure that the interests of beneficiaries in terms of these Rules and the provisions of the Medical Schemes Act are protected at all times.

19.18 POWERS OF THE BOARD

The Board has the power subject to the Act and the Rules of the Scheme:

- 19.18.1 to appoint the Chief Executive Officer responsible for the executive management of the Scheme and shall determine the terms and conditions of service of the Chief Executive Officer;
- 19.18.2 to terminate the services of the Chief Executive Officer; subject to the provisions of the Medical Schemes Act and the applicable labour laws.
- 19.18.3 to take all necessary steps and to sign and execute all necessary documents to ensure and secure the due fulfilment of the Scheme's obligations under such appointments;
- 19.18.4 to determine where Annual General/Special General Meetings and meetings of the Board and/or its Committees will be held;
- 19.18.5 to appoint committee/s consisting of such Trustees and other experts, as it may deem appropriate;
- 19.18.6 to appoint a duly accredited Administrator on such terms and conditions as it may determine, as is necessary for the proper execution of the business of the Scheme. The terms and conditions of such appointment must be contained in a written contract, which complies with the requirements of the Act and the Regulations;
- 19.18.7 to appoint, contract with and compensate any accredited managed health care organisations in the prescribed manner;
- 19.18.8 to purchase movable or immovable property for the use of the Scheme subject to the delegated authority;

- 19.18.9 to let or hire movable or immovable property;
- 19.18.10 to sell movable and immovable property of the Scheme subject to sound business practice and fair value principles;
- 19.18.11 in respect of any monies not immediately required to meet current charges upon the Scheme and subject to the provisions of the Act, and in the manner determined by the Board, to invest or otherwise deal with such moneys upon security and to realize, re-invest or otherwise deal with such monies and investments;
- 19.18.12 with the prior approval of the Council, to borrow money for the Scheme against the security of the Scheme's assets for the purpose of bridging temporary shortages;
- 19.18.13 subject to the provisions of any law, to cause the Scheme, whether on its own or in association with any person, to establish or operate any pharmacy, hospital, clinic, maternity home, nursing home, infirmary, home for aged persons or any similar institution, in the interests of the Beneficiaries of the Scheme;
- 19.18.14 to donate to any hospital, clinic, nursing home, maternity home, infirmary or home for aged persons in the interests of all or any of the Beneficiaries of the Scheme;
- 19.18.15 to contribute to any fund conducted for the benefit of employees of the Scheme;
- 19.18.16 to reinsure obligations in terms of the benefits provided for in these Rules in the prescribed manner;
- 19.18.17 to authorise the Chief Executive Officer and/or such Trustees of the Board as it may determine from time to time, and upon such terms and conditions as the Board may determine, to sign any contract or other document binding or relating to the Scheme or any document authorising the performance of any act on behalf of the Scheme;

19.18.18 to contribute to any association instituted for the furtherance, encouragement, and co-ordination of medical schemes; and

19.18.19 in general, do anything, which it deems necessary or expedient to perform its functions in accordance with the provisions of the Act and these Rules.

19.19 DUTIES OF THE CHIEF EXECUTIVE OFFICER / PRINCIPAL OFFICER

19.19.1 The Chief Executive Officer of the Scheme is responsible for the executive management of the business of the Scheme. The Board shall, in writing, delegate to the CEO such duties and powers as may be necessary to enable the CEO to effectively manage the business of the Scheme.

19.19.2 The Chief Executive Officer shall be the Accounting Officer of the Scheme charged with the collection of and accounting for all moneys received and payments authorised by and made on behalf of the Scheme.

19.19.3 The Chief Executive Officer shall ensure the carrying out of all of his duties as are necessary for the proper execution of the business of the Scheme. He shall attend all meetings of the Board and any other duly appointed committee where his attendance may be required and ensure proper recording of the proceedings of all meetings.

19.19.4 The Chief Executive Officer shall be responsible for the appointment and management of the staff employed by the Scheme as in line with the delegated authority by the Board.

19.19.5 The Chief Executive Officer shall ensure that full and proper records of all moneys received, and expenses incurred by, and of all assets, liabilities and financial transactions of the Scheme are kept.

19.19.6 The Chief Executive Officer shall ensure that annual financial statements are prepared and shall ensure compliance with all statutory requirements pertaining thereto.

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19.19.7 The Board shall, in writing, delegate to the CEO such duties and powers as may be necessary to enable the CEO to effectively manage the business of the Scheme.

19.19.8 The Chief Executive Officer of the Scheme shall ensure:

19.19.8.1 the confidentiality of all information regarding its beneficiaries;

19.19.8.2 that he acts in the best interests of the beneficiaries of the Scheme at all times;

19.19.8.3 that the decisions and instructions of the Board are executed without unnecessary delay;

19.19.8.4 that where necessary, there is proper and appropriate communication between the Scheme and the parties affected by the decisions and instructions of the Board;

19.19.8.5 that he keeps the Board sufficiently and timely informed concerning the affairs of the Scheme so as to enable the Board to comply with the provisions of section 57(6) of the Act; and

19.19.8.6 that he does not take any decisions concerning the affairs of the Scheme without prior authorisation by the Board and that he at all times observes the authority of the Board in its governance of the Scheme.

19.19.8.7 to appoint, compensate and contract with any accredited Broker for the introduction or admission of a Member to the Scheme and for ongoing Broker services subject to the provisions of the Act and the Regulations thereto provided that a Broker contract with an accredited Broker will not be unreasonable withheld subject to a broker meeting the service level agreement;

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19.19.8.8 Ensure that the Board is sufficiently and timeously informed of the affairs of the Scheme which relates to the duties of the Board of Trustees as stated in section 57(4)(d) of the Medical Schemes Act so as to enable the Board of Trustees to comply with the general provisions on governance as stipulated in the Act.

19.20 INDEMNIFICATION AND FIDELITY GUARANTEE

19.20.1 Any Officer of the Scheme shall be indemnified by the Scheme against all proceedings, costs and expenses incurred by reason of any claim in connection with the Scheme, not arising from negligence, dishonesty or fraud.

19.20.2 The Board shall ensure that the Scheme is insured against loss resulting from the dishonesty or fraud of any of its Officers.

19.21 FINANCIAL YEAR OF THE SCHEME

The financial year (benefit year) of the Scheme shall be from the first (1st) day of January to the thirty-first (31st) day of December of that year, both days included.

19.22 BANKING ACCOUNT

The Scheme must establish and maintain a banking account in the name of the Scheme and under its direct control with a registered commercial bank. All monies received must be deposited directly to the credit of such account and all payments must be made either by electronic transfer, tape exchange or by cheque under the joint signature of not less than two (2) persons duly authorised by the Board.

19.23 AUDITOR AND AUDIT COMMITTEE

19.23.1 An Auditor (who must be approved by the Registrar in terms of section 36 of the Act) must be appointed by resolution at each Annual General

Meeting, to hold office from the conclusion of that meeting to the conclusion of the next Annual General Meeting.

- 19.23.2 The following persons are not eligible to serve as Auditor of the Scheme:
- 19.23.2.1 an Officer of the Scheme or Contractor of the Scheme;
 - 19.23.2.2 an employee, Director, Officer or Contractor of the Scheme's Administrator, or the holding company, subsidiary, joint venture or associate of the Administrator;
 - 19.23.2.3 a person not engaged in public practice as an Auditor; and
 - 19.23.2.4 a person who is disqualified from acting as an Auditor in terms of the Companies Act, 1973 (Act No 61 of 1973).
- 19.23.3 Whenever for any reason an Auditor vacates his office prior to the expiration of the period for which he has been appointed, the Board must within thirty (30) days appoint another Auditor to fill the vacancy for the unexpired period.
- 19.23.4 If the Members of the Scheme at an Annual General Meeting fail to appoint an Auditor required to be appointed in terms of this Rule, the Board must within thirty (30) days make such appointment, and if it fails to do so, the Registrar may at any time do so.
- 19.23.5 The Auditor of the Scheme at all times has a right of access to the books, records, accounts, documents and other effects of the Scheme, and is entitled to require from the Board and the Officers of the Scheme such information and explanations as he deems necessary for the performance of his duties.
- 19.23.6 The Auditor must report to the Members of the Scheme on the accounts examined by him and on the financial statements laid before the Scheme at the Annual General Meeting.
- 19.23.7 The Board must appoint an Audit Committee of at least five (5) members in terms of the Act.

19.24 GENERAL MEETINGS

19.24.1 ANNUAL GENERAL MEETING

- 19.24.1.1 The Annual General Meeting of Members must be held not later than 31 August of each year, unless the Board on good cause determines that it is in the Scheme's interests that the Annual General Meeting for any Financial Year be postponed: Provided that such postponement shall not cause the Annual General Meeting to be held later than the 30th October of that year.
- 19.24.1.2 The notice convening the Annual General Meeting, containing the agenda, a highlight of the annual financial statements, providing details on the financial position and results of the Scheme, including information how and where a full set of annual financial statements can be obtained, Auditor's report and annual report, must be furnished to Members at least twenty-one (21) days before the date of the meeting. The non-receipt of such notice by a Member does not invalidate the proceedings at such meeting provided that the notice procedure followed by the Board was reasonable
- 19.24.1.3 At least thirty (30) Members of the Scheme present in person or virtually constitute a quorum. If a quorum is not present after the lapse of thirty (30) minutes from the time fixed for the commencement of the meeting, the meeting must be postponed to a date determined by the Board, with notice of such postponed meeting being reissued in terms of Rule 27.1.2, and Members then present will constitute a quorum.
- 19.24.1.4 The financial statements and reports specified in Rule 27.1.2 must be laid before the meeting.
- 19.24.1.5 If a Member wishes to discuss any matter which:
- 19.24.1.5.1 affects his membership or the objects of the Scheme;
or

19.24.1.5.2 might increase or decrease the rates of contribution or the extent of the benefits of the Scheme or any particular benefit option by more than 25 percent (25%) during any financial year at an Annual General Meeting, the Members shall submit a notice of such motion to reach the Chief Executive Officer within 90 days prior to the date of the Annual General meeting.

19.24.2 SPECIAL GENERAL MEETING

- 19.24.2.1 The Board may call a Special General Meeting of Members if it is deemed necessary for a specific purpose, and only matters for which it has been convened shall be discussed at that meeting.
- 19.24.2.2 On the requisition of at least three hundred (300) Members, the Board must cause a Special General Meeting to be called within thirty (30) days of the deposit of the requisition. The requisition must state the objects of the meeting and must be signed by all the requestors and deposited at the registered office of the Scheme. Only those matters forming the purpose of the meeting may be discussed.
- 19.24.2.3 The notice convening the Special General Meeting, containing the agenda, must be furnished to Members at least fourteen (14) days prior to the date of the meeting. The non-receipt of such notice by a Member does not invalidate the proceedings at such a meeting provided that the notice procedure followed by the Board was reasonable.
- 19.24.2.4 At least three hundred (300) Members present in person or virtually constitute a quorum. If a quorum is not present at a Special General Meeting after the lapse of thirty (30) minutes from the time fixed for the commencement of the meeting, the meeting is regarded as cancelled.

19.25 VOTING AT MEETINGS

- 19.25.1 Every Member who is present at an Annual General and Special Meeting of the Scheme and whose contributions is not in arrears, has the right to vote, or may, subject to this Rule, appoint another Member of the Scheme as proxy to attend, speak and vote in his stead.
- 19.25.2 The instrument appointing the proxy must be in writing in a form determined by the Board and must be signed by the Member and the person appointed as the proxy.
- 19.25.3 The Chairperson must determine whether the voting must be by ballot or by a show of hands.
- 19.25.4 In the case of voting by ballot, the Chairperson shall appoint two (2) or more scrutineers to collect, examine and count the ballot papers and to report the result thereof to him; whereupon he shall announce the result of the ballot to the meeting.

19.26 COMPLAINTS AND DISPUTES

19.26.1 STAGE ONE – COMPLAINT

19.26.1.1 **All complaints** of whatever nature which may arise between a Member, a prospective Member, a former Member or a person claiming a benefit by virtue of such Member and the Scheme or an officer of the Scheme, **shall be lodged in writing, to the Principal Officer** within a reasonable period of the Member having knowledge of the existence of the complaint.

19.26.1.2 The Scheme or its Administrator shall also provide a dedicated Client Service Centre number to be used for dealing with telephonic enquiries and complaints.

STAGE TWO - COMPLAINT

19.26.1.3 The Principal Officer shall endeavor to resolve complaints expeditiously and shall in any event respond in writing to the Member within thirty (30) days of receipt of the complaints by giving details of the proposed

solution to the complaint. Should a complaint relating to member's benefits or contributions not be resolved to the satisfaction of the complainant, the Principal Officer shall refer the dispute to the Disputes Committee for adjudication. Persons who are aggrieved by the decision of the Scheme relating to other types of complaints should direct their appeal directly to the Council for Medical Schemes.

19.26.2 STAGE TWO – DISPUTE

19.26.2.1 A Disputes Committee, consisting of three (3) persons, who must not be trustees of the Board, employee of the Administrator of the Scheme or Officers of the Scheme must be appointed by the Board to serve a term of office of three (3) years with some appointed on an *ad hoc* basis taking into consideration their skills and expertise. At least one of such committee members shall be a person with legal expertise.

19.26.2.2 On receipt of a request in terms of Rule 29.1.3, the Chief Executive Officer must convene a meeting of the Disputes Committee either to be held in person or virtually by giving not less than twenty-one (21) days' notice in writing to the complainant and all the persons of the Disputes Committee, stating the date, time and venue of the meeting and particulars of the dispute.

19.26.2.3 The Principal Officer shall attend the meetings of the Disputes Committee in an ex officio capacity and shall not have any decision-making power. The Principal Officer shall be responsible for the accurate recording of the proceedings and shall further report the outcome of the meeting to the Board within 14 days of the Disputes Committee's findings.

19.26.2.4 The Disputes Committee may determine the procedure to be followed.

19.26.2.5 The parties to any dispute have the right to be heard at the proceedings, either in person or through a representative.

19.26.2.6 The Disputes Committee shall give a ruling within ten (10) days of the meeting and immediately inform the parties in writing thereof.

19.26.2.7 The members of the Disputes Committee shall be compensated from the

funds of the Scheme for travelling expenses, accommodation and out of pocket expenses incurred in carrying out their duties.

19.26.3 STAGE THREE – APPEAL

19.26.3.1 An aggrieved person has the right to appeal to the Council for Medical Schemes against the decision of the Disputes Committee. Such appeal must be in the form of an affidavit directed to the Council and shall be furnished to the Registrar not later than three (3) months after the date on which the decision concerned was made or such further period as the Council may for good cause shown allow, after the date on which the decision concerned was made.

19.26.3.2 The operation of any decision which is the subject of an appeal under Rule 29.3.1 shall be suspended pending the decision of the Council on such appeal.

19.27 TERMINATION OR DISSOLUTION

19.27.1 The Scheme may be dissolved by order of a competent court or by voluntary dissolution.

19.27.2 Members at a Special or General Meeting may decide that the Scheme must be dissolved, in which event the Board must arrange for Members to decide by ballot in terms of Rule 30.4 whether the Scheme must be liquidated. Unless the majority of Members decide that the Scheme must continue, the Scheme must be liquidated in terms of section 64 of the Act.

19.27.3 Pursuant to a decision by Members taken in terms of Rule 30.2 the Chief Executive Officer shall, in consultation with the Registrar, furnish to every Member a memorandum containing the reasons for the proposed dissolution and setting forth the proposed basis of distribution of the assets in the event of winding up, together with a ballot paper.

19.27.4 Every Member shall be requested to return his ballot paper duly completed before a set date. If at least 50% (fifty percent) of the Members return their ballot papers duly completed and if the majority thereof is in favour of the

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dissolution of the Scheme, the Board must ensure compliance therewith and appoint, in consultation with the Registrar, a competent person as liquidator.

19.28 TRANSITIONAL ARRANGEMENT DURING CURATORSHIP

19.28.1 The Curator takes control of the Scheme and manages its business and affairs in accordance with the provisions of the Medical Schemes Act and the Rules of the Scheme, as per the court order.

19.28.2 The High Court has powers, inter alia, the placement of the Scheme under curatorship which implies the appointment of a Curator.

19.28.3 He/She must report to the Registrar and the Scheme on a monthly basis.

19.28.4 His/her final report must include findings and recommendations on the affairs of the Scheme and the possible continuation of the curatorship.

19.28.5 The Curator has the same powers as the Board and the CEO and perform the same functions performed by the Board and the CEO of the Scheme subject to the Medical Schemes Act and the Rules. These powers shall be exercised, and the functions shall be performed *mutatis mutandis*.

19.28.6 The Curator must take all steps necessary to convene an Annual or Special General Meeting of the Scheme at which a new Board of Trustees who are fit and proper shall be elected and report thereon within the prescribed period, as per the court order.

19.28.7 Notwithstanding the election of members of the Board of Trustees in terms of Rule 19.5.13 and the subsequent establishment of the Board, the Board will exercise no power nor perform any function until curatorship has been uplifted by the Court.

19.28.8 The Registrar, with the concurrence of Council, after being satisfied that material irregularities that led to the Scheme being placed under curatorship have been resolved, will apply to the High Court for an order ending curatorship.

19.28.9 The High Court may make an order that removes the Curator from office.

19.28.10 The newly elected members of the Board of Trustees will occupy office and exercise oversight of the Scheme on the date following the date on which an order of the High Court was made.

19.28.11 Following the court date, the Curator will convene a meeting of the members of the Board of Trustees as soon as possible to handover the oversight functions to the Board.

19.29 AMALGAMATION AND TRANSFER OF BUSINESS

19.29.1 The Scheme may, subject to the provisions of section 63 of the Act, amalgamate with, transfer its assets and liabilities to, or take transfer of assets and liabilities of any other medical scheme or person. The Board must arrange for Members to be furnished with an exposition of the proposed transaction for consideration and to decide by ballot whether the proposed transaction should be proceeded with or not.

19.29.2 If the majority of returned ballot papers are in favour of the amalgamation or transfer then, subject to Section 63 of the Act, the amalgamation or transfer may be concluded in the prescribed manner.

19.30 RIGHT TO OBTAIN DOCUMENTS AND INSPECTION OF DOCUMENTS

19.30.1 Any Beneficiary must on request and on payment of cost be supplied by the Scheme with a copy of the following documents:

19.30.1.1 the Rules of the Scheme;

19.30.1.2 the latest audited annual financial statements, returns, Trustee reports and audit report of the Scheme; and

19.30.1.3 the accompanying management accounts of the Scheme's benefit options.

REGISTERED BY ME ON

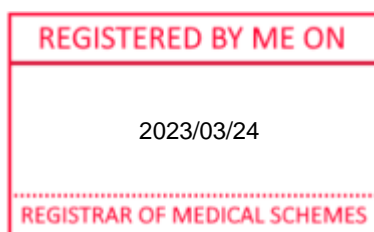
2023/03/24

REGISTRAR OF MEDICAL SCHEMES

- 19.30.2 A Beneficiary is entitled to inspect free of charge at the registered office of the Scheme any document referred to in Rule 32.1 and to make extracts there from.
- 19.30.3 The Scheme or its Administrator may use or disclose medical or medical-related information they may obtain regarding Members and their Dependants to a managed healthcare organisation to review the efficiency and quality of services, as well as for statistical purposes: Provided that no member-specific information may be used or disclosed without the prior written consent of the Member and such information will be treated confidentially.
- 19.30.4 This Rule shall not be construed to restrict a Beneficiary's rights in terms of the Promotion of Access to Information Act, (Act 2 of 2000).

19.31 AMENDMENT OF RULES

- 19.31.1 The Board is entitled to alter or rescind any Rule or Annexure or to make any additional Rule or Annexure.
- 19.31.2 No alteration, rescission or addition which affects the objects of the Scheme or which increases the rates of contribution or decreases the extent of the benefits of the Scheme or any particular benefit option by more than (25%) twenty-five percent during any financial year, is valid unless it has been approved by a majority of Members present at the Annual General Meeting or a Special Meeting or by ballot.
- 19.31.3 Members will be informed of such amendment. Should a Member's rights, obligations, contributions or benefits be amended, he shall be given thirty (30) days advance notice of such change.



19.31.4 Notwithstanding the provisions of Rule 33.1 above, the Board must, on the request and to the satisfaction of the Registrar, amend any Rule that is inconsistent with the provisions of the Act.

19.31.5 No amendment, rescission or addition of any Rule shall be valid unless it has been approved and registered by the Registrar.

19.31.6 The Scheme and every Beneficiary shall be bound by these Rules.

19.32 PRESERVATION OF RECORDS

19.32.1 Records of transactions with Members shall be preserved for a period of at least five (5) years. All other records shall be preserved for a period determined by the Board.

19.32.2 The Scheme shall not answer enquiries about transactions of which the records have already been destroyed and in this case, the Scheme shall accept no responsibility for any loss suffered by a Member.

